

U.S. Department of
Homeland Security

United States
Coast Guard



Director
National Pollution Funds Center

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NPFCCCLAIMSINFO@uscg.mil

5890
May 13, 2014

Texas General Land Office (SOSC)
ATTN: Peggy Spies
1700 N. Congress Avenue
Austin, TX 78701-1495

RE: 914057-0001
TGLO 2012-1547

Dear Ms. Spies:

The National Pollution Funds Center (NPFC), in accordance with the Oil Pollution Act (OPA) (33 U.S.C. 2701 et seq.), offers \$1,743.98 as full compensation for OPA claim number 914057-0001.

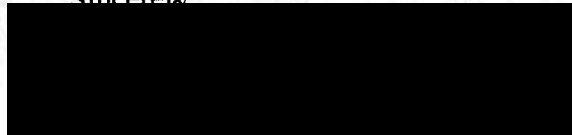
This determination is based on an analysis of the information submitted. Please see the attached determination for further details regarding the rationale for this decision.

If you accept this determination, please sign the enclosed Acceptance / Release Agreement where indicated and return to the above address.

If we do not receive the signed original Acceptance / Release Agreement within 60 days of the date of this letter, the determination is void. If the determination is accepted, an original signature and a valid tax identification number (EIN or SSN) are required for payment. If you are a Claimant that has submitted other claims to the National Pollution Funds Center, you are required to have a valid Contractor Registration record prior to payment. If you do not, you may register free of charge at www.SAM.gov. Your payment will be mailed or electronically deposited in your account within 60 days of receipt of the Release Agreement.

If you have any questions or would like to discuss the matter, you may contact me at the above address or by phone at 1-800-280-7118.

Sincerely,



Claims Manager
U.S. Coast Guard
By direction

Enclosures: Claim Summary / Determination
Acceptance / Release Agreement

ACCEPTANCE / RELEASE AGREEMENT

Claim Number: 914057-0001

Claimant Name: Texas General Land Office (SOSC)

I, the undersigned, ACCEPT this settlement offer of \$1,743.98 as full and final compensation for (removal costs) arising from the specific claim number identified above. With my signature, I also acknowledge that I accept as final agency action all costs submitted with subject claim that were denied in the determination and for which I received no compensation.

This settlement represents full and final release and satisfaction of the amounts paid from the Oil Spill Liability Trust Fund under the Oil Pollution Act of 1990 for this claim. I hereby assign, transfer, and subrogate to the United States all rights, claims, interest and rights of action, that I may have against any party, person, firm or corporation that may be liable for the amounts paid for which I have been compensated under this claim. I authorize the United States to sue, compromise or settle in my name and the United States fully substituted for me and subrogated to all of my rights arising from and associated with those amounts paid for which I am compensated for with this settlement offer. I warrant that no legal action has been brought regarding this matter and no settlement has been or will be made by me or any person on my behalf with any other party for amounts paid which is the subject of this claim against the Oil Spill Liability Trust Fund (Fund).

This settlement is not an admission of liability by any party.

With my signature, I acknowledge that I accept as final agency action all amounts paid for this claim and amounts denied in the determination for which I received no compensation.

I, the undersigned, agree that, upon acceptance of any compensation from the Fund, I will cooperate fully with the United States in any claim and/or action by the United States against any person or party to recover the compensation. The cooperation shall include, but is not limited to, immediately reimbursing the Fund for any compensation received from any other source for those amounts paid for which the Fund has provided compensation, by providing any documentation, evidence, testimony, and other support, as may be necessary for the United States to recover from any other person or party.

I, the undersigned, certify that to the best of my knowledge and belief the information contained in this claim represents all material facts and is true. I understand that misrepresentation of facts is subject to prosecution under federal law (including, but not limited to 18 U.S.C. §§ 287 and 1001).

Title of Person Signing

Date of Signature

Printed Name of Claimant or Authorized Representative

Signature

Title of Witness

Date of Signature

Printed Name of Witness

Signature

*DUNS/EIN/SSN of Payee
Please Circle one

Payee

Bank Routing Number

Bank Account Number

CLAIM SUMMARY / DETERMINATION

Claim Number:	914057-0001
Claimant:	Texas General Land Office (SOSC)
Type of Claimant:	State
Type of Claim:	Removal Costs
Claim Manager:	William Dodson
Amount Requested:	\$1,743.98

FACTS:

Oil Spill Incident: On May 13, 2012, the Texas General Land Office (TGLO) was notified about the recreation vessel WHAT KNOT which had sunk in Offat Bayou, Galveston County, Texas. The sunken vessel was discharging waste oil in Offat Bayou, a navigable waterway of the United States.¹ TGLO contacted Petty Officer Jared Bivens, CG MSU Texas City who verified that TGLO's response was appropriate and conducted in accordance with the National Contingency Plan.²

Description of Removal Activities for this claimant: T & T Marine Salvage, Inc. was hired to remove the discharged oil with sorbent boom and pads. Originally, the owner of the vessel, Mr. Rudy Wilson had stated that he would pay for T & T Marine's response to the spill. However, when T & T Marine attempted to contact Mr. Wilson for payment, he refused to pay. TGLO returned to the site of the sinking on May 14, 2012, and found that the vessel and sorbent material had been moved by Mr. Wilson. Attempts to contact Mr. Wilson by TGLO were unsuccessful so they paid the costs incurred by T & T Marine for their response and removal actions. As Mr. Wilson removed the sorbent material with his vessel, TGLO was unable to provide proof that the sorbent material had been disposed of properly.³ The claimant is requesting reimbursement of costs associated with their response to the incident as well as the costs reimbursed to T & T Marine Salvage, Inc.

The Claim: On April 17, 2014, TGLO submitted a removal cost claim to the National Pollution Fund Center (NPFC) for reimbursement of their uncompensated removal costs of State personnel and equipment costs as well as costs reimbursed to T & T Marine Salvage, Inc. in the amount of \$1,743.98.⁴

APPLICABLE LAW:

Under OPA 90, at 33 USC § 2702(a), responsible parties are liable for removal costs and damages resulting from the discharge of oil into navigable waters and adjoining shorelines, as described in Section 2702(b) of OPA 90. A responsible party's liability will include "removal costs incurred by any person for acts taken by the person which are consistent with the National Contingency Plan". 33 USC § 2702(b)(1)(B).

¹ See TGLO Expedited Small Claim Package dated April 17, 2014

² See email from PO Bivens, MSU Texas City, TX dated 9 May 2014

³ See email from Mr. Gary Powell, TGLO response officer dated May 6, 2014

⁴ See TGLO Expedited Small Claim Package dated April 17, 2014

"Oil" is defined in relevant part, at 33 USC § 2701(23), to mean "oil of any kind or in any form, including petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil".

The Oil Spill Liability Trust Fund (OSLTF), which is administered by the NPFC, is available, pursuant to 33 USC §§ 2712(a)(4) and 2713 and the OSLTF claims adjudication regulations at 33 CFR Part 136, to pay claims for uncompensated removal costs that are determined to be consistent with the National Contingency Plan and uncompensated damages. Removal costs are defined as "the costs of removal that are incurred after a discharge of oil has occurred or, in any case in which there is a substantial threat of a discharge of oil, the costs to prevent, minimize, or mitigate oil pollution from an incident".

Under 33 USC §2713(b)(2) and 33 CFR 136.103(d) no claim against the OSLTF may be approved or certified for payment during the pendency of an action by the claimant in court to recover the same costs that are the subject of the claim. See also, 33 USC §2713(c) and 33 CFR 136.103(c)(2) [claimant election].

33 U.S.C. §2713(d) provides that "If a claim is presented in accordance with this section, including a claim for interim, short-term damages representing less than the full amount of damages to which the claimant ultimately may be entitled, and full and adequate compensation is unavailable, a claim for the uncompensated damages and removal costs may be presented to the Fund."

Under 33 CFR 136.105(a) and 136.105(e)(6), the claimant bears the burden of providing to the NPFC, all evidence, information, and documentation deemed necessary by the Director, NPFC, to support the claim.

Under 33 CFR 136.105(b) each claim must be in writing, for a sum certain for each category of uncompensated damages or removal costs resulting from an incident. In addition, under 33 CFR 136, the claimant bears the burden to prove the removal actions were reasonable in response to the scope of the oil spill incident, and the NPFC has the authority and responsibility to perform a reasonableness determination. Specifically, under 33 CFR 136.203, "a claimant must establish -

- (a) That the actions taken were necessary to prevent, minimize, or mitigate the effects of the incident;
- (b) That the removal costs were incurred as a result of these actions;
- (c) That the actions taken were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC."

Under 33 CFR 136.205 "the amount of compensation allowable is the total of uncompensated *reasonable* removal costs of actions taken that were determined by the FOSC to be consistent with the National Contingency Plan or were directed by the FOSC. Except in exceptional circumstances, removal *activities* for which costs are being claimed must have been coordinated with the FOSC." [Emphasis added].

DETERMINATION OF LOSS:

A. Overview:

1. MST2 Jared Bivens of Coast Guard MSU Texas City provided FOSC coordination.
2. The incident involved the discharge of "oil" as defined in OPA 90, 33 U.S.C. § 2701(23), to navigable waters.
3. In accordance with 33 CFR § 136.105(e)(12), the claimant has certified no suit has been filed in court for the claimed uncompensated removal costs.
4. The claim was submitted on time.
5. The NPFC Claims Manager has thoroughly reviewed all documentation submitted with the claim and determined that the removal costs presented were for actions in accordance with the NCP and that the costs for these actions were indeed reasonable and allowable under OPA and 33 CFR § 136.205.

B. Analysis:

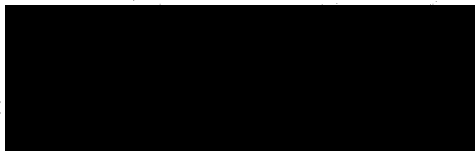
NPFC CA reviewed the actual cost invoices and dailies to confirm that the claimant had incurred all costs claimed. The review focused on: (1) whether the actions taken were compensable "removal actions" under OPA and the claims regulations at 33 CFR 136 (e.g., actions to prevent, minimize, mitigate the effects of the incident); (2) whether the costs were incurred as a result of these actions; (3) whether the actions taken were determined by the FOSC, to be consistent with the NCP or directed by the FOSC, and (4) whether the costs were adequately documented and reasonable.

Upon review of the claim submission, the NPFC issued an RP Notification Letter to Mr. Rudy Wilson dated April 23, 2014. As of the date of this writing, no response has been received to date. The NPFC verified the actions undertaken by TGLO and the response contractor and has determined that the Claimant did in fact incur \$1,743.98 of uncompensated removal costs and that that amount is payable by the OSLTF as full compensation for the reimbursable removal costs incurred by the Claimant and submitted to the NPFC under claim #914057-0001

The NPFC hereby determines that the OSLTF will pay \$1,743.98 as full compensation for the reimbursable removal costs incurred by the Claimant and submitted to the NPFC under claim # 914057-0001. All costs claimed are for charges paid for by the Claimant for removal actions as that term is defined in OPA and, are compensable removal costs, payable by the OSLTF as presented by the Claimant.

AMOUNT: \$1,743.98

Claim Supervisor:



Date of Supervisor's review: *May 13, 2014*

Supervisor Action: *Approved*

Supervisor's Comments: